

DORSEY, KING, GRAY, NORMENT & HOPGOOD

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February 24, 2005

RECEIVED

FEB 25 2005

PUBLIC SERVICE  
COMMISSION

Ms. Elizabeth O'Donnell  
Executive Director  
Public Service Commission of Kentucky  
Post Office Box 615  
Frankfort, Kentucky 40602

Re: Case No. 2004-00319

Dear Ms. O'Donnell:

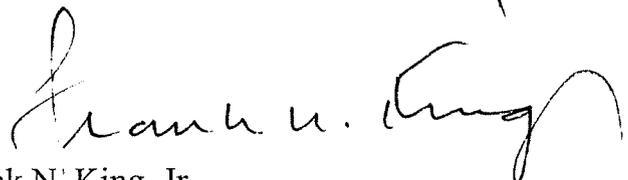
This is in response to the request of Commission Staff to confirm whether Case No. 8863 was the last case in which the Commission approved a specific rate of return for Jackson Purchase. Jackson Purchase believes this to be true but is unable to locate a copy of the final order in Case No. 8863. Jackson Purchase has located a copy of an order in a later case, Case No. 9167, that makes reference to Case No. 8863 and states that the rate of return allowed in that case was "8.88 percent while the test year actual rate of return was 11.05 percent." A copy of the first page of the order in Case No. 9167 is attached.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By



Frank N. King, Jr.

FNKJr/cds

COPY/w/encls.:

Attorney General of Kentucky, Office of Rate Intervention  
Service List  
Jackson Purchase Energy Corporation

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FEB 25 2005

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

NOTICE AND APPLICATION OF JACKSON	)	
PURCHASE COOPERATIVE CORPORATION FOR	)	
PERMISSION TO FLOW THROUGH A WHOLESALE	)	
RATE INCREASE FILED BEFORE THE KENTUCKY	)	CASE NO. 9167
PUBLIC SERVICE COMMISSION REGULATORY	)	
COMMISSION BY BIG RIVERS ELECTRIC	)	
CORPORATION, DOCKET NO. 9163	)	

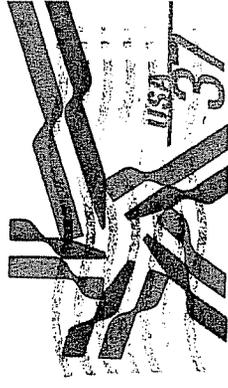
O R D E R

After a review of the application of Jackson Purchase Cooperative Corporation ("Jackson Purchase") to flow through the proposed increase in wholesale rates by Big Rivers Electric Corporation ("Big Rivers"), it has been determined that there may be a potential for absorption of a portion of the increase in power costs.

Commission files and financial data contained in the test-year financial exhibits reflect that the Times Interest Earned Ratio ("TIER") allowed in the Commission's Order in Case No. 8863, dated December 29, 1983, was 2.25X while the TIER earned in the year ended September 30, 1984, was 2.67X. The rate of return allowed was 8.88 percent while the test year actual rate of return was 11.05 percent. The allowed net income was \$1,323,935, while 1983 actual net income, without generation and transmission capital credits, was \$1,919,941.

After 5 days, return to:

**DORSEY, KING, GRAY, NORMENT & HOPGOOD**  
Attorneys at Law  
318 Second Street  
Henderson, Kentucky 42420



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**Executive Director**  
**Public Service Commission of Kentucky**  
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**Frankfort, Kentucky 40602**

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